

Date: 14<sup>th</sup> August, 2018

To  
The Department of Corporate services  
**Bombay Stock Exchange Limited**  
P.J Towers, Dalal Street  
Mumbai-400001

To  
**National Stock Exchange of India Limited**  
5<sup>th</sup> Floor, Exchange Plaza  
Bandra (E)  
Mumbai-400051

Scrip Code: - 540425

Scrip Symbol- SHANKARA

**Sub: - Investor's presentation**

Dear Sir/Madam,

Please find enclosed Investor's Presentation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015.

You are requested to take note of the same.

Thanking You

Yours faithfully  
For **Shankara Building Products Limited**

*Ereena Vikram*

Ereena Vikram  
**Company Secretary & Compliance Officer**



Q1FY19  
Result  
Presentation

August  
2018

# Safe Harbor

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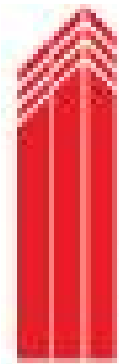
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Building **STORES**

Building **CUSTOMERS**

Building **SCALE**



Build With **SHANKARA Buildpro**  
Building Materials and more

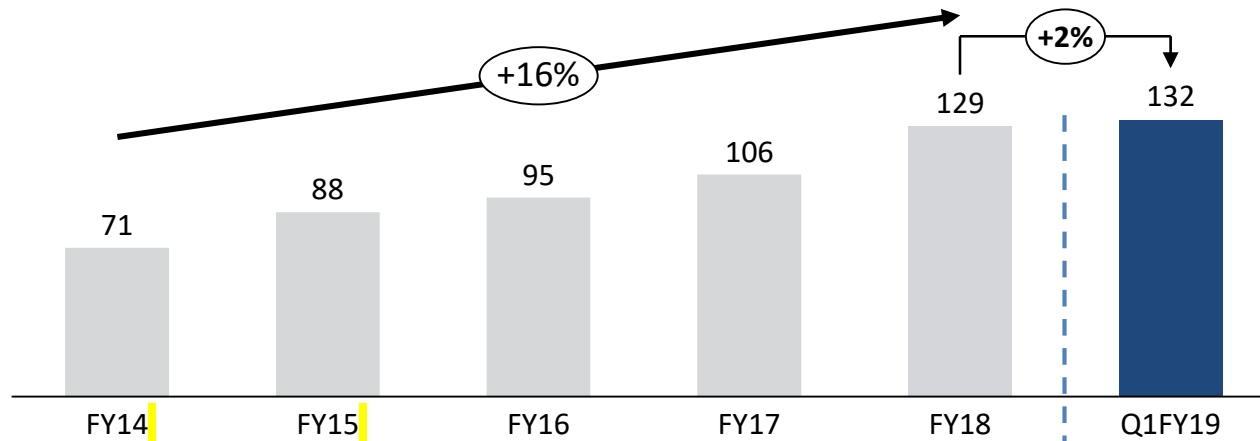


**132 STORES** across 9 States & 1 Union Territory

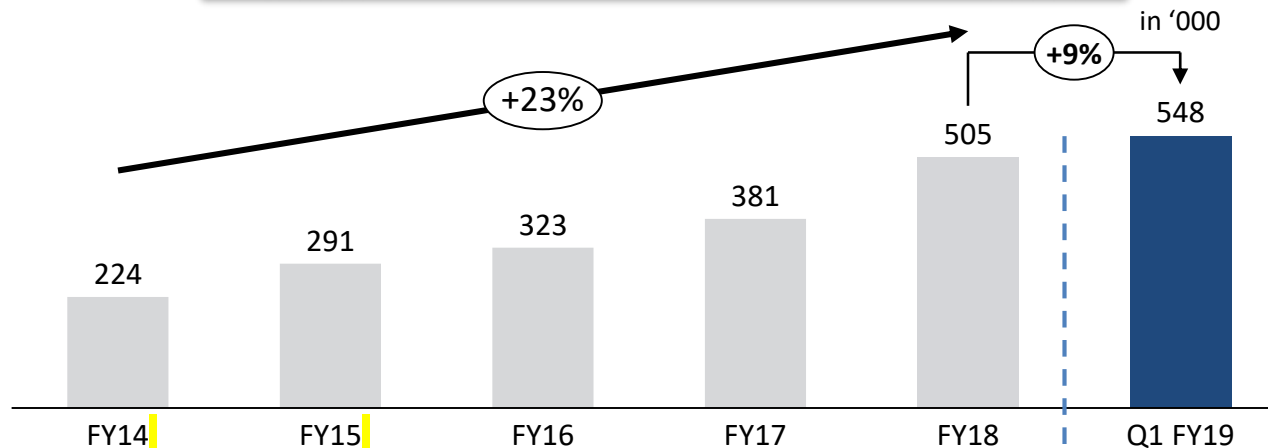
[Store List](#)

# Building STORES

Number of Stores



Total Area of Stores (in Sq. Ft)



- ✓ During Q1 FY19 we have **added 3 stores** taking the total count to 132 stores
- ✓ Our ongoing process of upgrading stores continues. Additional 5 stores have been put on the upgrade path
- ✓ Average store size now stands at **4,150 sq ft**
- ✓ **Low rentals** and efficient space utilizations helps us to achieve the break even per store faster

## Upgraded Stores



## New Stores



[Click Here](#) – For the Complete Store List

## Customer Meets



## “Build with BUILDPRO”



## Training Sessions



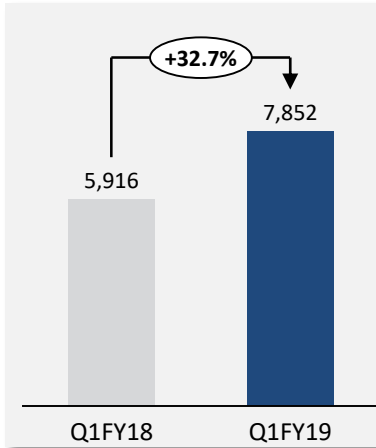
## Exhibitions & Events



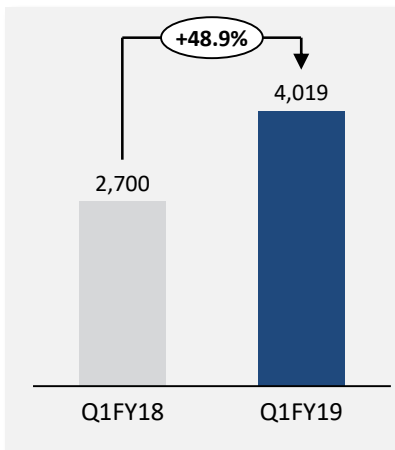
- ✓ **Organizing customer meets** across locations to showcase the wide range of product offering
- ✓ **Piloting a loyalty scheme “Build with Buildpro”**, a scheme to attract customers and enhance customer engagement
- ✓ **Product training sessions in collaboration with various brands** for better understanding and insights on the products we offer and their usage
- ✓ **Participation in various industry exhibitions and events** to engage with customers and to enhance brand visibility

# Building SCALE

Rs. in Mn **Total Revenue Q1FY19**

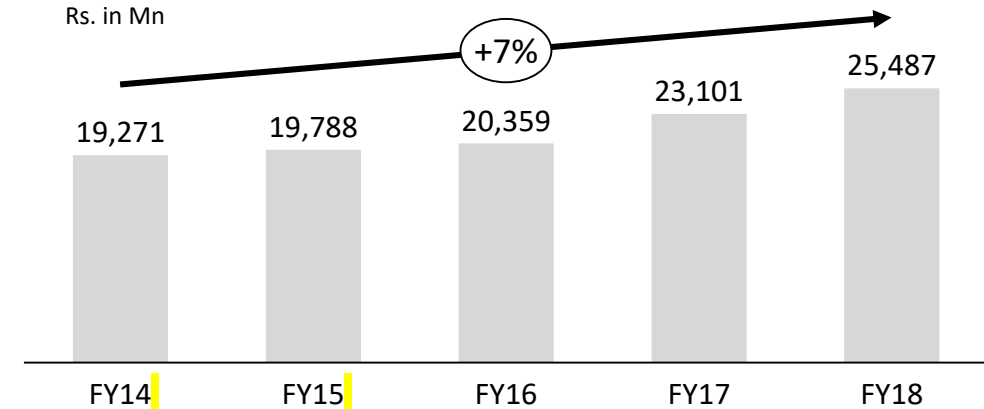


Rs. in Mn **Retail Revenue Q1FY19**

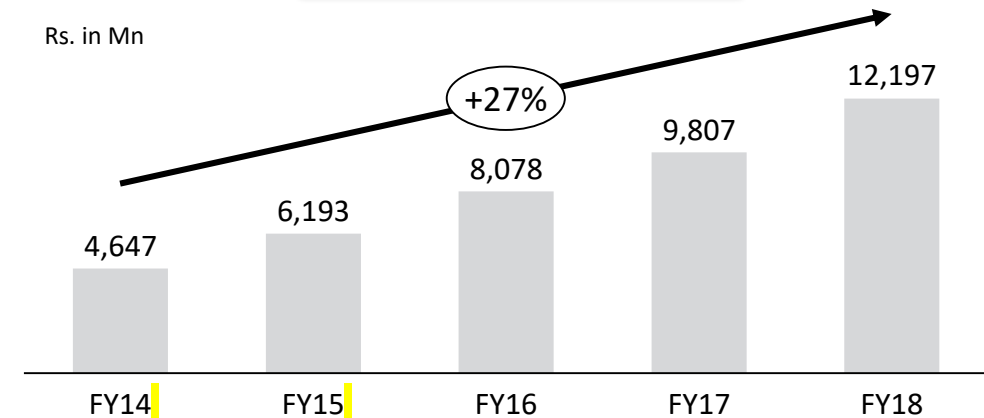


- ✓ Strong revenue growth of **33%** for the Company in Q1 FY 19 across regions
- ✓ Strong growth in the **Retail** vertical with a growth of **49%**
- ✓ **Retail segment** now accounts for **51%** of overall Company revenues
- ✓ **Comparable sales growth** for the retail segment stood at **29.6%** for the quarter
- ✓ Sales growth of upgraded stores (opened on or before 31st March, 2017) stood at **41%**

**Total Revenue Trends**



**Retail Revenue Trends**



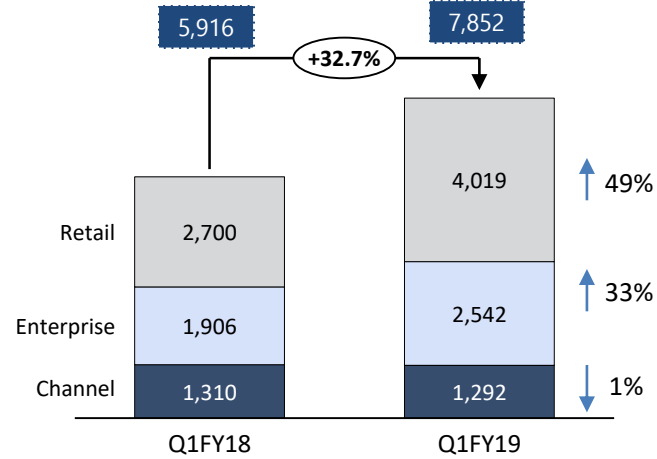




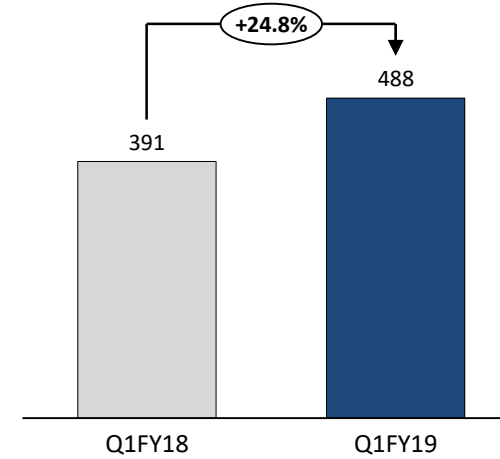
**Financial  
performance**

# Key Financial Performance

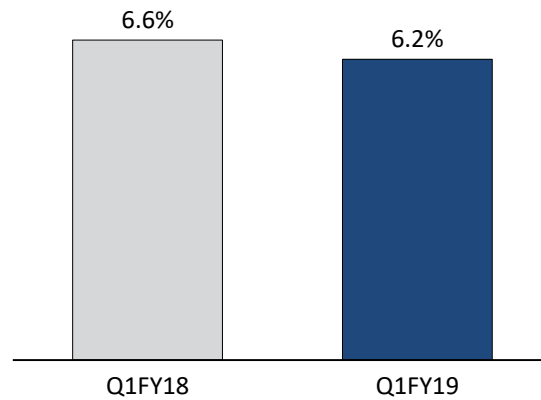
Segment wise Revenue & Net Revenue from Operations (Rs. mn.)



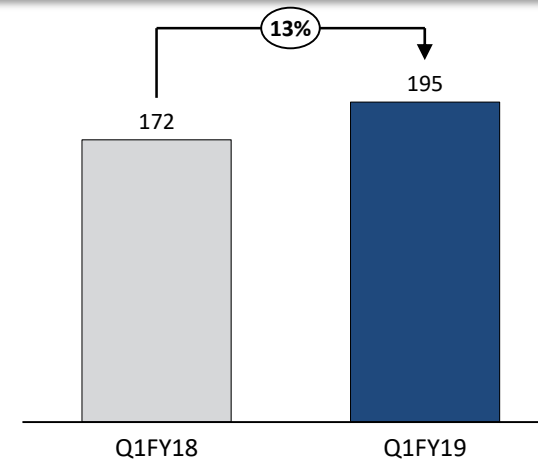
EBITDA (Rs. mn.)



EBITDA Margin (%)

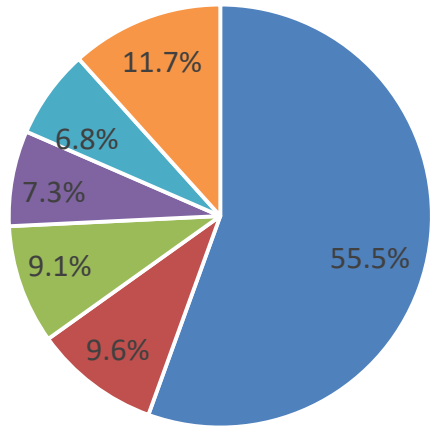


PAT (Rs. mn.)



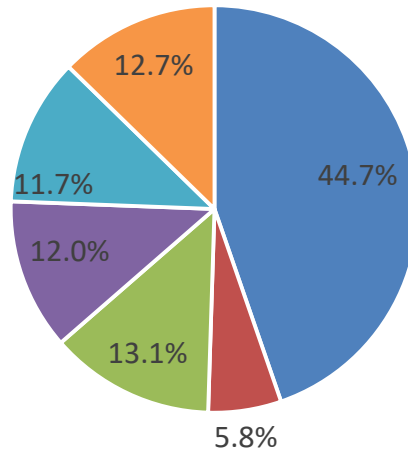
# Revenue Break up

Q1 FY18  
Revenue mix across States



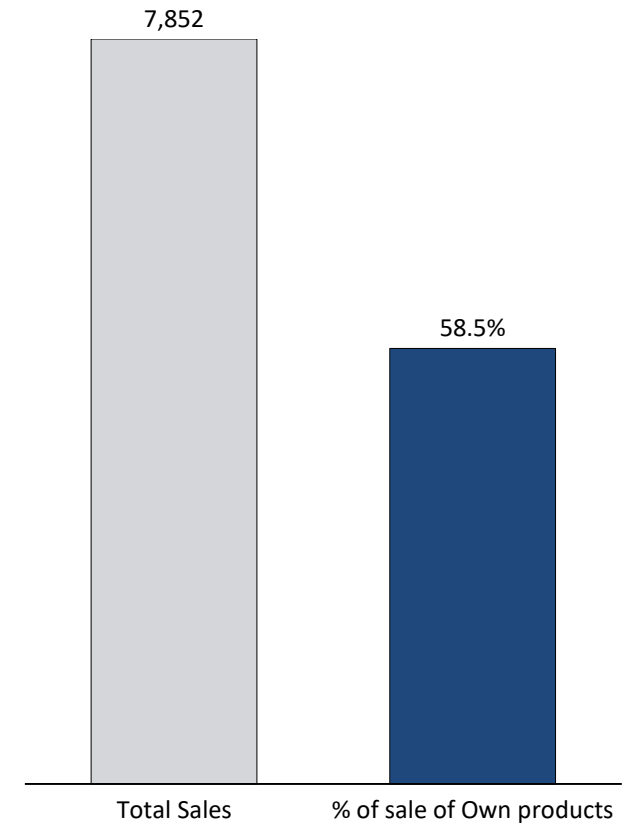
- Karnataka
- Andhra Pradesh
- Telengana
- Kerala
- Tamil Nadu
- Other States

Q1 FY19  
Revenue mix across States



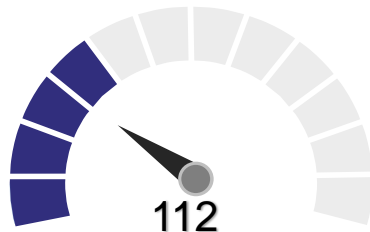
- Karnataka
- Andhra Pradesh
- Telengana
- Kerala
- Tamil Nadu
- Other States

Overall Sales Mix

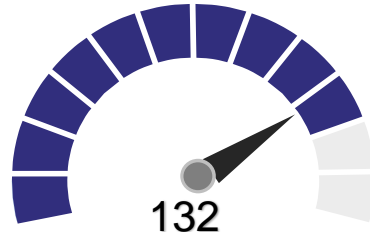


# Key Highlights – Retail Business

## Number of Stores

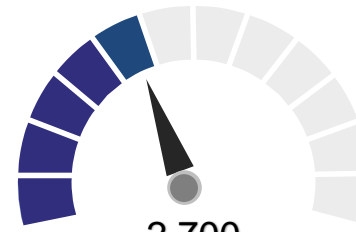


Q1FY18

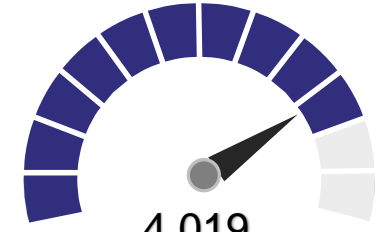


Q1FY19

## Revenue (Rs. mn.)

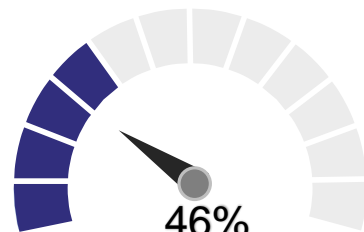


Q1FY18

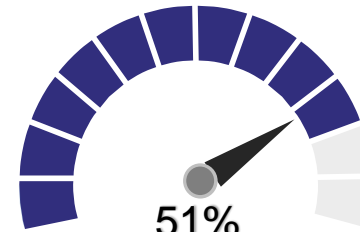


Q1FY19

## Retail Share



Q1FY18



Q1FY19

# Key Highlights – Retail Business

Particulars	Units	Q1FY19	Q1FY18	Y-o-Y
No of retail stores	Nos.	<b>132</b>	112	17.9%
Total Area	Sq. ft	<b>5,47,864</b>	4,01,233	36.5%
Average store size	Sq. ft	<b>4,150</b>	3,582	15.9%
Average ticket size	Rs.	<b>30,336</b>	22,972	32.1%
Revenue from retail stores	Rs. Mn	<b>4,019</b>	2,700	48.9%
EBITDA	Rs. Mn	<b>415.3</b>	300.0	38.4%
Margin (%)	%	<b>10.3%</b>	11.1%	-78 bps
EBITDA per store	Rs. Mn	<b>3.15</b>	2.68	17.5%
Average rental cost per sq.ft. per month	Rs.	<b>18.6</b>	16.6	11.5%

# Retail Store Growth Metrics

## Same store sales growth

**Q1 FY 19: 32.9%**

**Basis of Calculation:** The definition of SSSG (Same Store Sales Growth) considers stores that were in operation for at least 12 months at the end of the period.

For example, for Q1 FY19, the SSSG considers stores in operation at the end of Q1 FY18. The growth in revenues generated from these stores in Q1 FY18 and Q1 FY19 represents the SSSG. Q1 FY19 SSSG computation is as follows

Stores considered for SSSG	Revenue considered for Q1 FY18	Revenue considered for Q1 FY19
xxx stores at end of Q1 FY18	Revenues of these xxx stores in quarter Q1 FY18	Revenues of these xxx stores in quarter Q1 FY19
<b>Total</b>	<b>Sum total of above = [A]</b>	<b>Sum total of above = [B]</b>

Same Store Sales Growth calculation:  $([B] - [A]) / [A]$

## Comparable sales growth

**Q1 FY 19: 29.6%**

**Basis of Calculation:** The definition of comparable sales method considers stores that have completed at least 12 months of operations. Revenues from these stores become comparable in the immediate following month after their 12<sup>th</sup> month of operation.

For example, for Q1 FY19, the comparable sales consider all stores operational at the end of FY16. In addition, for stores opened during Q1 FY17, the comparable period of sales in Q1 FY18 and Q1 FY19 is also considered after they complete 12 months of operations. Store closures, if any in the period, will be removed from both the base and the subsequent year revenue computations. Q1 FY19 comparable sales computation is as follows

Stores considered for Comparable Sales	Revenue considered for Q1 FY18	Revenue considered for Q1 FY19
xx stores operational at end of FY16	Revenues of these xx stores in quarter Q1 FY18, net of closures if any	Revenues of these xx stores in quarter Q1 FY19, net of closures if any
For stores opened in Q1 FY17 & still operational		
<i>Store no. xx, say, opened in April 2016</i>	<i>Store no. xx revenue from May 2017 to June 2017</i>	<i>Store no. xx revenue from May 2018 to June 2018</i>
<i>Store no. xx, say, opened in May 2016</i>	<i>Store no. xx revenue for June 2017</i>	<i>Store no. xx revenue for June 2018</i>
<b>Total</b>	<b>Sum total of above = [C]</b>	<b>Sum total of above = [D]</b>

Comparable Sales Calculation:  $([D] - [C]) / [C]$

Computations of retail store revenue growth as per the two metrics

The computations of the two metrics as mentioned in the slide above for the 3 years are available in the table below.

Period	Same Store Sales Growth (Method 1: Old)	Comparable Sales Growth (Method 2: Revised)
FY 18*	27.4%	23.4%
FY 17	19.4%	15.7%
FY 16	28.3%	18.4%

# Q1 FY19 Income Statement

Particulars (Rs. Mn)	Q1 FY19	Q1 FY18	Y-o-Y
<b>Total Income</b>	<b>7,852</b>	<b>5,916</b>	<b>32.7%</b>
Raw Material	6,901	5,123	
Employee Expenses	175	128	
Other Expenses	288	273	
<b>EBITDA</b>	<b>488</b>	<b>391</b>	<b>24.8%</b>
<b>EBITDA %</b>	<b>6.2%</b>	<b>6.6%</b>	
Other Income	2	1	
Depreciation	45	29	
Finance Cost	139	98	
<b>Profit before Tax</b>	<b>307</b>	<b>266</b>	<b>15.4%</b>
Tax	112	93	
<b>Profit after Tax</b>	<b>195</b>	<b>172</b>	<b>13.0%</b>
<b>Cash Profit</b>	<b>240</b>	<b>201</b>	<b>19.3%</b>
<b>EPS</b>	<b>8.52</b>	<b>7.53</b>	





# Historical Financials

# 5 years of Consolidated Profit & Loss Statement\*

Particulars (Rs. Mn)	FY14	FY15	FY16	FY17*	FY18*	CAGR
<b>Total Income</b>	<b>19,271</b>	<b>19,788</b>	<b>20,359</b>	<b>23,101</b>	<b>25,487</b>	<b>7.2%</b>
Raw Material	17,364	17,580	17,672	19,794	21,738	
Employee Expenses	264	350	413	492	592	
Other Expenses	757	963	1,079	1,300	1,404	
<b>EBITDA</b>	<b>886</b>	<b>895</b>	<b>1196</b>	<b>1,522</b>	<b>1,758</b>	<b>18.7%</b>
<b>EBITDA %</b>	<b>4.6%</b>	<b>4.5%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>6.9%</b>	
Other Income	8	9	7	7	6	
Depreciation	58	88	95	114	136	
Finance Cost	416	470	460	506	463	
<b>Profit before Tax &amp; Minority Interest (MI)</b>	<b>420</b>	<b>345</b>	<b>648</b>	<b>902</b>	<b>1,159</b>	<b>28.9%</b>
Tax	133	120	240	314	421	
<b>Profit after Tax &amp; before MI</b>	<b>287</b>	<b>226</b>	<b>407</b>	<b>586</b>	<b>739</b>	<b>26.7%</b>
Minority Interest	-	-	-	-	-	
<b>Profit after Tax &amp; MI</b>	<b>287</b>	<b>226</b>	<b>407</b>	<b>586</b>	<b>739</b>	<b>26.7%</b>
<b>Cash Profit</b>	<b>345</b>	<b>314</b>	<b>503</b>	<b>701</b>	<b>875</b>	
<b>EPS</b>	<b>13.13</b>	<b>10.32</b>	<b>18.90</b>	<b>26.81</b>	<b>32.34</b>	

# Consolidated Balance Sheet\*

Particulars (Rs. Mn)	Mar-18	Mar-17
<b>Total Equity</b>	<b>4,558</b>	<b>3,898</b>
Equity Share Capital	228	228
Other Equity	4,329	3,669
Non-Controlling Interest	1	0
<b>Non-current liabilities</b>	<b>184</b>	<b>207</b>
Financial Liabilities		
(i) Borrowings	9	58
(ii) Other Financial Liabilities	0	0
Provisions	6	8
Deferred Tax Liabilities (Net)	169	141
<b>Current liabilities</b>	<b>7,386</b>	<b>5,315</b>
Financial Liabilities		
(i) Borrowings	2,420	2,101
(ii) Trade Payables	4,612	2,610
(iii) Other Financial Liabilities	181	229
Provisions	7	4
Current Tax Liabilities (Net)	81	182
Other Current Liabilities	85	189
<b>Total Liabilities</b>	<b>12,128</b>	<b>9,420</b>

Particulars (Rs. Mn)	Mar-18	Mar-17
<b>Non-current assets</b>	<b>3,206</b>	<b>2,739</b>
Property, Plant and Equipment	2,726	2,448
Investment Property	1	1
Intangible Assets	104	-
Goodwill on Consolidation	140	140
Financial Assets		
(i) Trade Receivables	31	23
(ii) Loans	180	103
Other non-current assets	25	23
<b>Current assets</b>	<b>8,921</b>	<b>6,681</b>
Inventories	4,157	2,795
Financial Assets		
(i) Trade receivables	4,241	3,084
(ii) Cash and cash equivalents	12	18
(iii) Bank balances other than above	48	644
(iv) Others financial assets	12	14
Other Current Assets	451	126
<b>Total Assets</b>	<b>12,128</b>	<b>9,420</b>

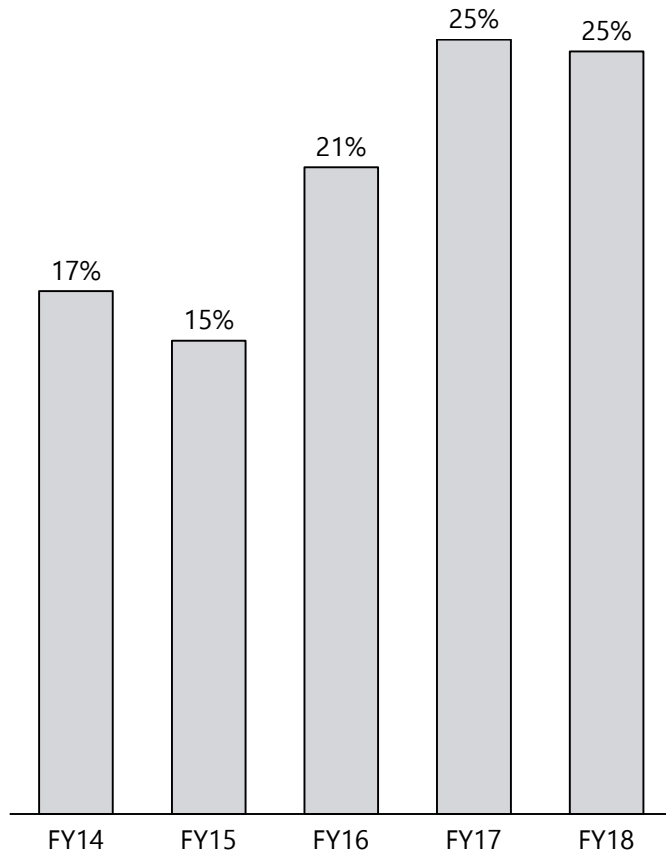
# Outperformance of retail segment\*

Particulars	Units	FY14	FY15	FY16	FY17	FY18	CAGR FY14-FY18
No of retail stores	Nos.	71	88	95	106	129	16%
Total Area	Sq. ft	2,23,869	2,91,139	3,23,070	3,81,070	5,05,034	23%
Revenue from retail stores (INR mn)	Rs. Mn	4,647	6,193	8,078	9,807	12,197	27%
EBITDA (INR mn)	Rs. Mn	218	461	775	972	1,303	56%
Margin (%)	%	4.7%	7.4%	9.6%	9.9%	10.7%	-
EBITDA per store (INR mn)	Rs. Mn	3.07	5.24	8.16	9.17	10.10	35%

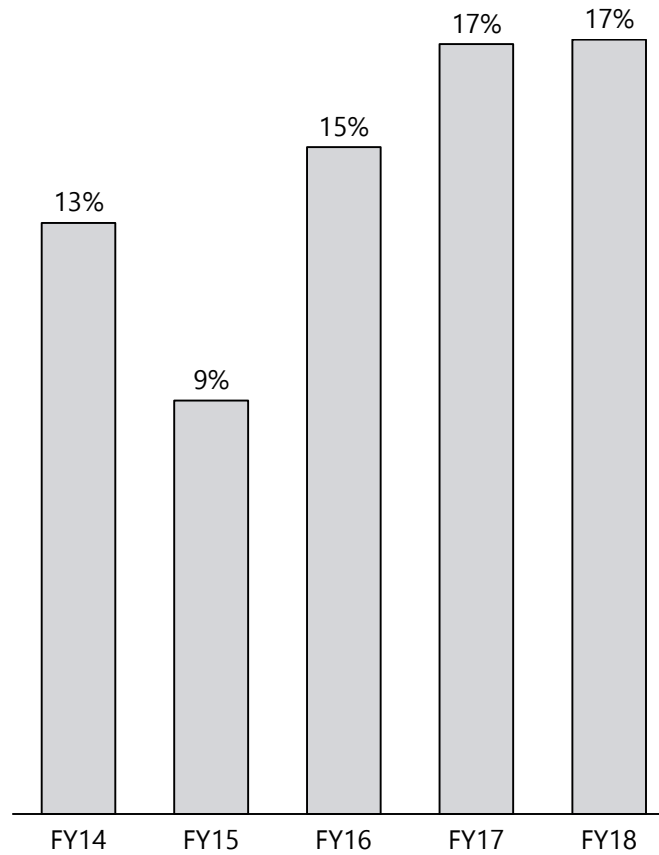
**Low rental cost of ~Rs.19 per sq.ft per month for the leased outlets enhance the profitability of the retail segment and thus target to achieve retail store breakeven within a year**

# Key Ratios

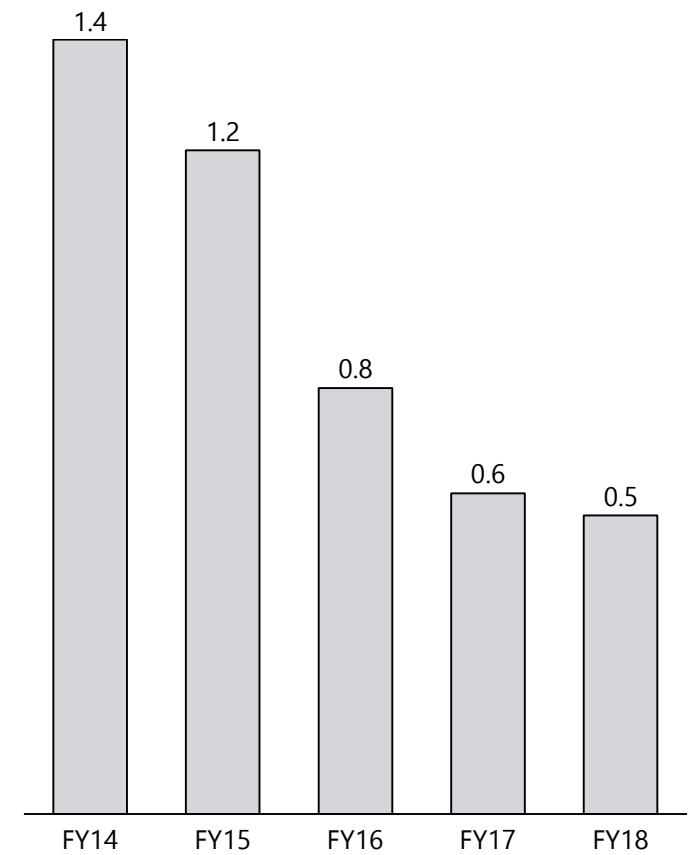
Average Return on Capital Employed



Average Return on Equity



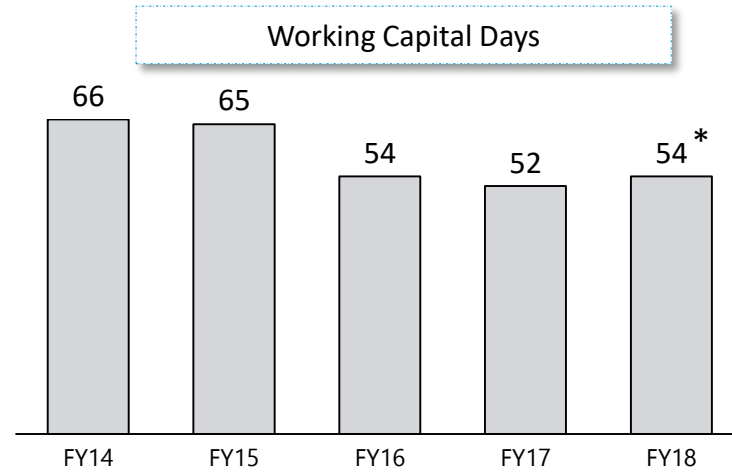
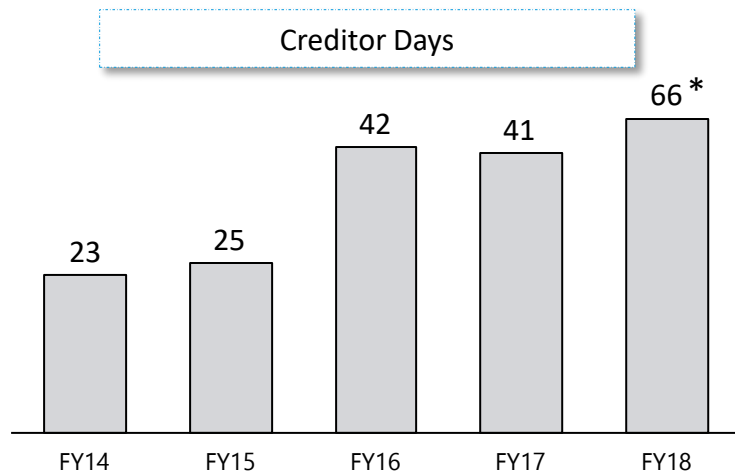
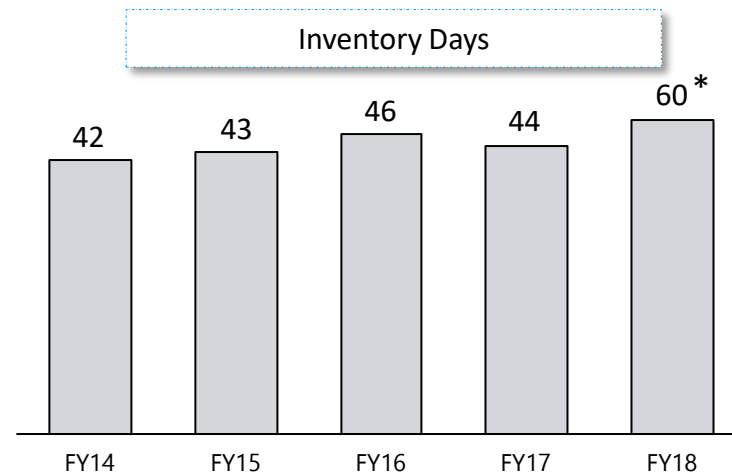
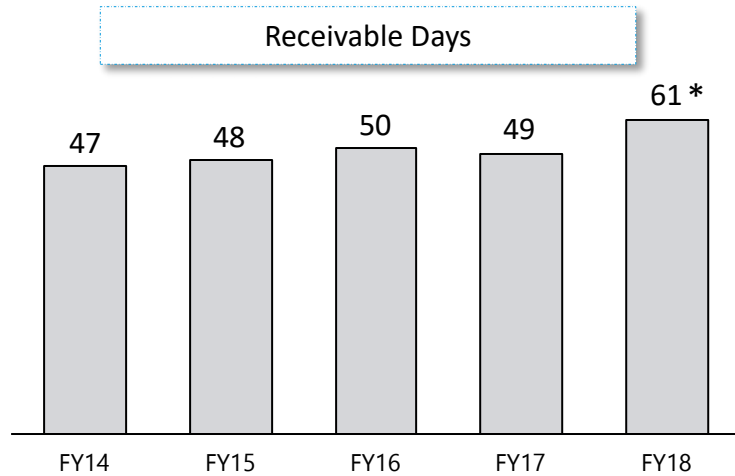
Net Debt : Equity



# Key Ratios

Working Capital Days are calculated on the basis of revenue

**\*FY17 & FY18 days are not comparable due to GST impact on revenue**



For further information, please contact:

**Company :**



CIN - U26922KA1995PLC018990

Mr. Alex Varghese – CFO

[www.shankarabuildpro.com](http://www.shankarabuildpro.com)

**Investor Relations Advisors :**



CIN - U74140MH2010PTC204285

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